

HOUSE BILL NO. 301

INTRODUCED BY M. REINHART

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AND CLARIFYING THE STATE OF MONTANA'S ENERGY POLICY GOAL STATEMENT AND ENERGY POLICY; AMENDING SECTIONS 90-4-1001 AND 90-4-1003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 90-4-1001, MCA, is amended to read:

"90-4-1001. State energy policy goal statement. (1) It is the policy of the state of Montana to promote ~~an energy conservation, production, and consumption of a reliable and efficient mix of energy sources that represent the least social, environmental, and economic costs and the greatest long-term benefits to Montana citizens system that:~~

- (a) is sustainable, both economically and environmentally;
- (b) is secure from natural disasters, acts of terrorism, and business failures;
- (c) is equitable in terms of providing all Montana families access to affordable and clean energy;
- (d) allows all Montana communities the opportunity to contribute to and benefit from the energy system;
- (e) minimizes energy consumption in Montana;
- (f) minimizes social impacts; and
- (g) encourages a deliberate and predictable transition from:
 - (i) a fossil fuel-based energy supply system to one based on renewable resources; and
 - (ii) an energy system of a small number of energy producers operating large generating or refining facilities to an energy system characterized by many owners of small facilities dispersed across the state.

(2) In pursuing this goal, it is the policy of the state of Montana to:

- (a) recognize that the state's energy system operates within the larger context of and is influenced by regional, national, and international energy markets;
 - (b) maintain a continual process to review this energy policy statement and any future changes so that Montana's energy strategy will provide for a balance between a sustainable environment and a viable economy;
- and



1 (c) adopt a state transportation energy policy as provided in 90-4-1010 and an alternative fuels policy
2 and implementing guidelines as provided in 90-4-1011;

3 (d) minimize energy consumption in Montana through conservation, improved efficiency, and other
4 demand-management techniques;

5 (e) encourage the growth of small-scale, locally owned, renewable energy production sufficient to meet
6 the state's needs;

7 (f) encourage carbon-neutral electrical generation that can compete in out-of-state markets, subject to
8 greenhouse gas emission caps;

9 (g) design and build an electrical distribution and transmission system that:

10 (i) is stable and secure and that accommodates the maximum amount of renewable generation possible;

11 and

12 (ii) includes metering, switching, and other components that maximize the conservation and efficient use
13 of electricity; and

14 (h) design and build a biofuels processing and distribution system that minimizes net greenhouse gas
15 production and that does not divert food stocks to fuel.

16 (3) In implementing the provisions of this section, the energy policy development process pursuant to
17 90-4-1003 should, when possible:

18 (a) set research priorities for:

19 (i) electrical energy generation, distribution, and use; and

20 (ii) transportation fuels;

21 (b) set funding priorities for energy grant and loan programs and other incentive programs;

22 (c) systematically review permitting programs, building codes, product standards, and land use measures
23 to effectuate the provisions of this section; and

24 (d) encourage state and local government purchasing of energy and fuels that are consistent with the
25 goals and policies of this section."

26

27 **Section 2.** Section 90-4-1003, MCA, is amended to read:

28 **"90-4-1003. Energy policy development process.** (1) The department and the committee, in
29 cooperation with the consumer counsel and the public service commission, shall maintain a continual process
30 to develop the components of a comprehensive state energy policy that is consistent with the provisions of

1 90-4-1001.

2 (2) Because of limited state resources and the need to focus intensive effort on specific issues of
3 importance, the development of a comprehensive state energy policy must occur on an incremental basis. As
4 the need arises, the department, in cooperation with the appropriate state agencies and with extensive public
5 involvement, shall identify and recommend to the committee specific components of a state energy policy for
6 development under the consensus process described in subsection (3).

7 (3) (a) Upon selection of a specific energy policy component, the committee shall assign to a working
8 group composed of representatives of the parties with a stake in that specific component the task of developing
9 consensus recommendations for that component of state energy policy.

10 (b) The working group must include the broadest possible representation of stakeholders in the issues
11 to be included within the specific component of state energy policy.

12 (c) Whenever possible, the working group shall use a consensus process to develop recommendations
13 for a specific energy policy component to be submitted to the committee. Recommendations that are not based
14 upon consensus must be so noted by the working group. Upon consideration of the working group's
15 recommendations, the committee shall forward its recommendations to the legislature and to the appropriate state
16 agencies for adoption.

17 (d) The department shall:

18 (i) provide staff support to the working group, including policy analysis, data gathering, research,
19 technical analysis, and administrative support;

20 (ii) provide administrative coordination among the appropriate state agencies in the energy policy
21 development process;

22 (iii) prepare reports for and make recommendations to the committee; and

23 (iv) consult regularly with the committee to coordinate each agency's activities.

24 (4) In carrying out their responsibilities under this section, the department and the committee may
25 contract with experts, consultants, and facilitators and may seek funding from a variety of private and public
26 sources for technical and other assistance necessary to accomplish their responsibilities."
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28 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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